

R. SAM HOPKINS, TRUSTEE
P.O. BOX 3014
POCATELLO, ID 83206-3014
PHONE: (208) 478-7978
FAX: (208) 478-7976

U.S. COURT

CLERK OF COURT

UNITED STATES BANKRUPTCY COURT
DISTRICT OF IDAHO

In Re:

KETTERLING, LYNN and)	CHAPTER 7
)	
JEANNE KETTERLING)	CASE NO. 03-41318
)	
)	PETITION TO EMPLOY AUCTIONEER
)	BY TRUSTEE
Debtor(s))	
_____)	

The trustee petitions the Court to approve the employment of the below identified licensed auctioneer on the following terms and conditions:

1. Name and Address of Auctioneer:

Prime Time Auctions, Inc.
3330 US Hwy 30 W.
Pocatello, ID 83201
(208) 232-4912
2. Compensation: Commission to be 10 % of the gross proceeds of sale, subject to further Court approval. Auctioneer shall pay the following expenses without charge to the estate: (See Multi-Case Auction Agreement on file with the United States Bankruptcy Court for the District of Idaho)
3. Expenses charged to the Estate: In addition to payment of the auctioneer's commission, petitioner has agreed to pay the following expenses: Estates pro-rata share of advertising based on gross auction proceeds. (See Multi-Case Auction Agreement on file with the United States Bankruptcy Court for the District of Idaho)
4. Property to be sold: 1999 20 Foot 5th Wheel, 1975 F-750, 1999 Ford Expedition, 1988 3500 GMC, 1973 6000 GMC, 1978 F-750, 1966 F-100, 1993 Polaris 250, 1994 Polaris 250, Milk Mixer, Dishwasher, 1972 IHI 547 Tractor, Calf Hutches, Bottles and Buckets, 1975 3-Row Forage Harvester, New Holland 475 Balcr, Grain Cart & Motor, Attachments, Hayforks, Buckets, HYD Unit, Flatbed Equipment Trailer, 2-John Deere Loafers, Large John Deere Blade Attachments, Log Splitter, Post Hold Digger Tractor Attachment, Pipe Trailer, Old Tractor In Shop, Blue Stock Trailer, Miscellaneous Farm Equipment
5. Qualifications of Auctioneer: To the best of the Trustee's knowledge the auctioneer is a disinterested person and does not hold an interest adverse to the interest of the estate with respect to the matter on which the auctioneer is to be employed.

Dated: March 19, 2004

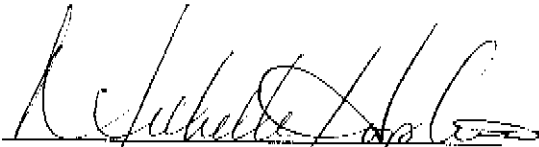

R. SAM HOPKINS, TRUSTEE

116

APPLICATION TO HIRE AUCTIONEER
CERTIFICATE OF MAILING

The below signed hereby certifies that a copy of the foregoing instrument was mailed to the parties listed below by placing the same in the U.S. Post Office, postage prepaid, on the Friday, March 19, 2004.

By:


Michelle Hopkins, Bankruptcy Administrator

U.S. ASSISTANT TRUSTEE
304 NORTH 8th, ROOM 347
BOISE, ID 83702

KETTERLING, LYNN AND
JEANNE KETTERLING
100 N 160 W
RUPERT, ID 83350

D BLAIR CLARK
PO BOX 2773
BOISE, ID 83701

MULTI-CASE AUCTION AGREEMENT

THIS AGREEMENT made and entered into this 19th day of March, 2004, by and between R. Sam Hopkins, as Trustee in Bankruptcy of the Bankruptcy Estates of the Debtors listed in the proceedings set forth below (hereinafter referred to as "TRUSTEE"), whose address is P.O. Box 3014, Pocatello, Idaho, 83206-3014, and Prime Time Auctions, (hereinafter referred to as "AUCTIONEER"), whose address is 3330 Highway 30 West, Pocatello, Idaho 83201;

RECITALS.

TRUSTEE is in possession of certain items of personal property which are property of the bankruptcy estates listed below which by law he is required to liquidate for the benefit of the creditors of said estates. AUCTIONEER is a sole proprietor operating a professional auction and liquidation company specializing in the sale of such items of personal property. In addition, AUCTIONEER has heretofore contracted with TRUSTEE to sell other items of property for which TRUSTEE was Trustee in Bankruptcy. The parties have determined it to be in their mutual best interest, and in the best interests of the creditors of the bankruptcy estates listed below, to enter into an agreement whereby AUCTIONEER is granted leave and permission of the TRUSTEE and of the U.S. Bankruptcy Court to act as official AUCTIONEER in the liquidation of said property. This agreement is to effect said objective and to make record of the rights and duties of the parties in connection therewith.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants of the parties, it is hereby agreed as follows:

1. **EMPLOYMENT OF AUCTIONEER.** TRUSTEE hereby employs the AUCTIONEER to sell at public auction to the highest bidder the items of personal property appearing in that certain "Notices of Sale" filed by TRUSTEE in said bankruptcy proceedings. A copy of which has been provided to AUCTIONEER, in the following bankruptcy cases:

DEBTOR

Diana P. Hewett

CASE NO.

03-41863

Donn M. Peterson	03-41071
Tate and Susan Dockstader	03-41834
Carolyn S. Carter	01-42383
Fredrick and Linda Davies	03-42152
Larry and Traci Peterman	03-42457
Gary R. Emfield	03-42367
Gilbert and Christy Gravier II	03-41922
Douglas and Stephanie Lau	04-40133
Richard and Lorraine Underwood	03-42254
Mark and Karen Smith	03-41835
James and Teri Moore	03-41975
Sergio A. Orozco	03-41900
Marvin and Rosalie Wheeler	02-42297
John and Brandy Young	03-42095
Marcus R. Lengyel	03-42301
Lynn and Jeanne Ketterling	03-41318
Jeff Langer	04-40064
Kenna Ann Kulinsky	04-40062
Melissa Rae Harrington	02-41763

AUCTIONEER hereby accepts such employment and agrees to use his best efforts to bring about a sale of such goods at auction in accordance with the provisions of this agreement.

2. TIME, DATE AND PLACE OF SALE. Unless otherwise agreed, AUCTIONEER will sell said property to the highest bidder at a public auction on Saturday, April 17, 2004, located at the Old Fred Meyer building, 1030 Yellowstone Avenue, Pocatello, Idaho. Said sale shall commence not later than 10:00 a.m. of said day and shall continue until said property scheduled to be sold on such day is sold.

3. CONDITIONS OF SALE. Said property shall be sold without reserve for each item. AUCTIONEER may refuse any bid in his discretion upon reasonable cause. The purchase price will be required to be paid in cash or by check verified to be good by AUCTIONEER only. All sales shall be "AS IS" and "WHERE IS", without warranties by AUCTIONEER that any of the items sold are merchantable or fit for any particular purpose. AUCTIONEER shall, on the date of sale, upon request of a purchaser, provide to the purchaser a memorandum or bill of sale on behalf of TRUSTEE, the authority to execute said memorandum or bill of sale being hereby granted. Certificates of title to the vehicles sold shall be delivered to AUCTIONEER for delivery to purchasers upon completion of the accounting except as hereinafter set forth. AUCTIONEER agrees to post these conditions of sale in a conspicuous place at the sale on the date of sale, and to otherwise make known and advertise said conditions of sale to prospective purchasers.

4. PROMOTION OF SALE. AUCTIONEER shall use his best efforts to promote said sale including, but not limited to, advertising through use of brochures and handbills to qualified buyers; placing of notices and advertisements in newspapers; by direct solicitation and contacts; and by using such other promotional means as are available and reasonable under the circumstances or as otherwise agreed by the parties. The costs and expenses of advertisement and promotion of said sale will be prorated (based on each items sales price as a percentage of the total sales at said auction) between all parties providing merchandise for sale at this auction. AUCTIONEER agrees to expend no more than \$2,500.00 for the advertising and promotion of TRUSTEE'S merchandise for said sale without TRUSTEE'S consent.

AUCTIONEER agrees to deliver to TRUSTEE an accounting of all advertising and promotional costs and expenses incurred at the time of accounting as hereinafter set forth.

5. ADDITIONAL DUTIES OF AUCTIONEER. AUCTIONEER shall collect all monies for goods sold at said auction and shall provide a sufficient staff and facilities for said purpose. In addition, AUCTIONEER shall provide sufficient pre-sale labor to supervise and complete the clean-up and set-up of all goods as hereinafter discussed, to supervise and assist in all necessary duties on the date of sale, and post-sale as discussed hereinafter.

6. PREPARATION OF GOODS FOR SALE. AUCTIONEER shall supervise and provide sufficient labor and personnel to provide the complete clean-up and set-up of all goods in an attractive, practical manner. In addition, AUCTIONEER shall inventory and catalog the goods in such a manner as to provide an accurate and convenient record of sale. In addition, AUCTIONEER shall take reasonable steps to check out and inspect the equipment to determine any repairs or clean up that may be needed for recommendation to the TRUSTEE as set forth herein as soon as reasonably possible before the date of sale.

7. COMMUNICATIONS. AUCTIONEER agrees to provide adequate means to provide information and to respond to inquiries concerning said sale. In addition, AUCTIONEER agrees to have adequate personnel on the sale site to assist prospective buyers in making personal inspections of the property.

8. SECURITY. AUCTIONEER will provide adequate and sufficient security and otherwise be responsible and liable for all of said property from the date of sale until

such time as said property is either delivered to the purchaser or AUCTIONEER accounts to TRUSTEE as hereinafter set forth, whichever event shall first occur. Any costs and expenses associated with provision of said security shall be borne by AUCTIONEER. All property must be removed from the premises not more than one (1) day after sale, unless otherwise specifically agreed.

9. CLEAN-UP AND POST-SALE ACTIVITIES. AUCTIONEER agrees to provide sufficient personnel to adequately clean up the premises after the completion of the sale and to restore said premises to the condition in which they existed prior to sale. AUCTIONEER agrees that this clean up shall be completed not more than three (3) days after the date of the sale.

10. INDEMNITY AND INSURANCE. TRUSTEE and the bankruptcy estates shall not be liable to AUCTIONEER for any damage, injury or loss suffered by AUCTIONEER or AUCTIONEER'S agents or employees or property from any cause. AUCTIONEER waives all claims against the TRUSTEE and the bankruptcy estates for damages or injuries to any person or property arising for any reason. AUCTIONEER shall hold TRUSTEE harmless from any and all damages, expenses, costs or other obligations arising out of any damage to any person or property occurring in or about the premises which is caused or in any way occasioned by the conduct of AUCTIONEER, his agents or employees. AUCTIONEER shall at its costs carry general public liability insurance with a liability limit of not less than \$500,000.00 insuring against any liability of AUCTIONEER and its agents or employees arising out of or in connection with AUCTIONEER'S use of the sale premises or property. All liability insurance shall insure the performance of AUCTIONEER of the indemnity provisions set forth herein.

AUCTIONEER shall provide to TRUSTEE reasonable proof of insurance prior to the taking of possession of said premises. AUCTIONEER shall also provide TRUSTEE with a \$100,000.00 performance bond.

11. COMPENSATION. AUCTIONEER shall receive for performance of the services described herein a reasonable percentage of the selling price of all property disposed of at the auction determined by the Bankruptcy Court and payable out of the gross amount realized at the sale. Said percentage is expressly subject to Court approval and if such amount requested exceeds \$1,000.00 in any one estate, must be submitted to the court for approval after notice and hearing following the scheduled auction. AUCTIONEER agrees and understands the need to file an application for approval of payment of such commission with the Bankruptcy Court, and obtain Court approval of such.

12. ACCOUNTING. Upon the completion of the sale, AUCTIONEER shall furnish to TRUSTEE a complete list of all goods sold by AUCTIONEER, together with the sale prices thereof. Not more than ten (10) banking days after completion of the sale, AUCTIONEER shall account and disburse to TRUSTEE the sum equal to the total amount of the selling price of all property disposed of at auction, less those expenses to be borne by the bankruptcy estates herein. At said time AUCTIONEER will also provide a reasonable accounting of all sales expenses incurred. It is expressly understood and agreed that AUCTIONEER assumes the risk of collection of any and all sums from purchasers at said sale, and AUCTIONEER'S duty and liability to TRUSTEE to pay over the sums set forth herein shall not be conditioned upon the ability of said AUCTIONEER to collect said proceeds of sale, the responsibility for which

AUCTIONEER solely and exclusively assumes. Said accounting and disbursement shall take place at the offices of the TRUSTEE.

13. DELIVER OF TITLES TO AND POSSESSION OF GOODS.

AUCTIONEER, at its option, may deliver possession of goods sold to the purchasers on the date of sale. However, AUCTIONEER agrees to not deliver possession of any goods to any purchaser or other party until such time as AUCTIONEER has collected the purchase price therefore, and verified the means of payment. Titles to the vehicles shall be delivered by TRUSTEE promptly after AUCTIONEER has accounted and made payment to the TRUSTEE as set forth above.

14. VARIATION OF PROPERTY TO BE SOLD. AUCTIONEER hereby agrees and acknowledges that there may exist legal restrictions upon the TRUSTEE'S right to sell or dispose of certain items of the property of the bankruptcy estate. As to said items referred to in this paragraph, TRUSTEE cannot guarantee nor does he hereby agree that said units will be available for sale on the date of sale. TRUSTEE agrees to use good faith and diligent efforts to obtain the legal right to sell the items in question.

15. DEPOSIT OF PROCEEDS OF SALE. AUCTIONEER hereby agrees that all proceeds of sale he collects shall be deposited at the conclusion of the sale in an interest-bearing trust account to be established at a local lending institution in Pocatello, Idaho. Said account shall be clearly identified as the account for said auction in some manner. No withdrawals from said account shall be allowed except upon the joint signatures of both TRUSTEE and AUCTIONEER. Unless otherwise agreed, all auction proceeds shall remain in said account until the time of accounting and disbursement as set forth herein.

16. APPROVAL OF THE COURT. The parties agree that this agreement shall be submitted to the United States Bankruptcy Court for the District of Idaho for approval. In addition, TRUSTEE shall submit to said Court a petition for the appointment of AUCTIONEER as official auctioneer for the bankruptcy estates subject to the terms and conditions of this agreement and the Bankruptcy Code. In the event said Court shall fail to approve the terms and conditions of this agreement or any of them, or shall fail to appoint AUCTIONEER as the official auctioneer for the bankruptcy estates for purposes of conducting this sale, the terms and conditions of this agreement shall be void and of no force and effect.

17. SALES TAX. The parties understand sales tax needs to be collected and paid as to the sales contemplated by this Agreement under applicable state law. It is the responsibility of AUCTIONEER and AUCTIONEER shall collect all applicable sales tax, file any necessary returns or reports regarding the same, and pay all applicable sales tax to the appropriate governmental agencies, as to all items sold at the sale.

18. NO ADVERSE INTEREST. Juan M. Hernandez and Prime Time Auctions, Inc., certify upon the undersigned's best information, knowledge and belief, and that I and Prime Time Auctions, Inc., do not hold or represent an interest adverse to the bankruptcy Trustee and/or bankruptcy estates represented above and do not have existing connections with said Debtors, creditors of Debtors, or other parties in interest or their attorneys and/or accountants.

19. MISCELLANEOUS PROVISIONS. The parties hereby agree that any and all disputes, questions, suits or actions arising out of the terms of this agreement or sale shall be submitted to the United States Bankruptcy Court for the District of Idaho for

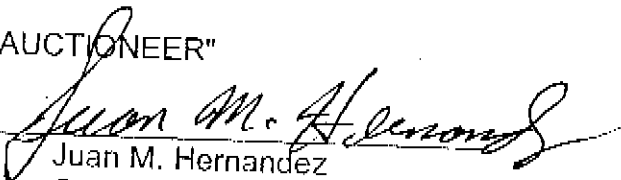
resolution, to the personal and subject matter jurisdiction of which AUCTIONEER hereby consents. The parties agree that the conditions of this agreement shall be construed and given effect pursuant to the laws and statutes of the State of Idaho. In the event TRUSTEE is required to bring an action for the enforcement of any of the terms or conditions of this agreement, AUCTIONEER hereby agrees to pay TRUSTEE any and all costs and expenses incurred in bringing said action, including a reasonable attorney's fee, including on appeal. This agreement represents the entire agreement of the parties, there being no other representations, warranties or agreements of the parties. This agreement may not be varied or in any way materially changed or effected except in writing.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

R. Sam Hopkins
Trustee in Bankruptcy for the Above Named
Bankruptcy Estates

"TRUSTEE"
By 
R. Sam Hopkins

PRIME TIME AUCTIONS

"AUCTIONEER"
By 
Juan M. Hernandez
Owner